

# **FISCAL NOTE**

## **SB 17 - HB 226**

February 6, 2003

**SUMMARY OF BILL:** Authorizes local legislative bodies to provide by resolution for the deferral of real property tax payments on the increase in value of a residential property due to renovation. Specifies that the residential improvement for which the deferral may be made must have been constructed 50 years or more prior to the date of deferral application. Provides for the resolution to establish an application process, the length of the deferral, and an interest rate to be imposed on deferred taxes. Provides for the unpaid, deferred taxes to constitute a lien of first priority against the property.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - To the extent a local government chooses to implement a deferral program under provisions of the bill, it will experience a decrease in revenues each year the deferral is available and an increase in revenues when the deferral period ends on a particular property and the deferred taxes, plus interest, are due. The amount of deferred taxes depends on the number of local governments choosing to offer the deferral but could exceed \$100,000 annually.**

**NOTE:** The Division of Property Assessments of the Comptroller's office reports that there are approximately 250,000 residential properties that are more than 50 years old with an estimated \$25,000 increase in market value for improvements.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director